

VISA Purchase Card Program



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PCMS SELF TRAINING GUIDE

Section I

Introduction

The Purchase Card Management System (PCMS) is a state-of-the-art credit card and convenience check system for tracking, reconciling, controlling and paying for Government credit card and convenience check purchases. This system uses client-server technology, electronic data interchange, and a graphical user interface. The system allows cardholders to modify accounting information, file a dispute directly with a participating PCMS bank, provide comments and descriptions, and approve or disapprove transactions during reconciliation. Vendors send charges to the bank daily for purchase transactions. This information is transmitted from the bank to NFC in a nightly download. Cardholders can then access PCMS to reconcile their transactions. The bank also transmits the invoice information to NFC for scheduled disbursement.

Major Benefits

Some of the major benefits PCMS provides are:

- ❖ An oversight function that includes alerts and statistical sampling.
- ❖ Reduced costs through elimination of the AD-838, Purchase Order, transaction.
- ❖ An automatic reporting link to the Federal Procurement Data System (SF281).
- ❖ Interfaces with the Property System and Accounting Systems.
- ❖ Sophisticated edits.
- ❖ A Universal Tax Exemption Number for all clients.
- ❖ Ad-hoc reporting capabilities.
- ❖ Issuance of Form 1099, Statement for Recipients of Miscellaneous or
- ❖ Interest Income or Taxable Grants.

PCMS Overview

PCMS performs functions and interfaces with other systems including the Central Accounting System (CAS), updates the Personal Property System (PROP) and validates accounting information against valid accounting codes in the Management Account Structure Codes (MASC) system. PCMS also offers standard and ad hoc reporting capabilities.

Policy administration of the program is performed by the Agency Program Coordinator (APC) located in headquarters at ASD-Riverdale. The APC's responsibilities include development of overall policy and coordination with the USDA Purchase Card Program Manager. Operational administration of the program is performed by the Local Agency Program Coordinators (LAPC) located at FMD, Billings and Collections-Minneapolis. Their responsibilities include coordinating day to day activities for cardholders such as establishing cardholders, processing changes for cardholders, confirm post-payment adjustments, review exception reports and research selected transactions to prevent fraud, waste or abuse, coordinate training requirements and forward, or make available, any training materials.

Special Features

Check Writing Capabilities

The elimination on the use of PCMS convenience checks went into effect on July 1, 2003. Only designated check writers are allowed to issue convenience checks. The Department stated that “the use of convenience checks is appropriate only if there is no other way, under the circumstances of the required transaction, to accomplish the transaction unless payment is made by convenience check. Even if it could be argued that alternative payment methods would be less economical or efficient, checks may not be used unless there is no reasonable alternative available” (AGAR Advisory No. 52, p. 2).

Cardholders with check writing capabilities must write checks within the waiver categories and waiver amounts granted to them. Waivers/check writing capabilities may be revoked or modified if check writing authority is abused. Please refer to the following website for more information on the prohibition on using convenience checks for purchases and payments.

<http://www.usda.gov/procurement/policy/advisories.html>

Data Query Capabilities for Budget Analysts

A designated “financial officer” (i.e. budget analyst, budget assistant) can be established that will allow this person with budgetary oversight to utilize Data Query (Discoverer) software and be trained to access cardholders account information in PCMS. This will allow them to view detailed PCMS data in conjunction with their review of monthly detailed transaction reports from the CAS. This will prove valuable in verifying the accuracy of accounting codes and budget object codes charged by the cardholders.

Section II

USDA's Purchase Card Team

Departmental Program Coordinator

A program coordinator in the Procurement Policy Division, Office of Procurement, Property and Emergency Preparedness (OPPEP), manages the USDA Purchase Card Program. The DPC is the Contracting Officer's Technical Representative (COTR) for GSA's government-wide contract with the purchase card services contractor (Bank of America).

DPC duties include, but are not limited to:

- Establish USDA APCs with bank contractor and in PCMS;

- Provide training and guidance to APCs;

- Set priorities and oversee PCMS configuration management. This responsibility includes managing PCMS requirements, defining upgrades, and acting as the central point of contact for agency requests for system modifications. (Note: Changes PCMS are not made without the explicit, written approval of the Chair, PCMS Change Control Board (CCB));

- Develop and recommend USDA policy and procedures for the Department wide purchase card program;

- Provide program information to participants utilizing the messages on PCMS bulletin board;

- Obtain department's Central Account Number from Bank of America;

- Develop purchase card program literature and materials for Department wide use; and

- Drive future program applications/enhancements.

Agency Program Coordinator (APC)

The APC is appointed by the Agency Head of the Contracting Activity Designee (HCAD) and is responsible for managing the purchase card program in each agency and is the agency's contact with the DPC and bank contractor. The APC is an employee in the 1102 contracting specialist series that, at a minimum, satisfies the requirement for a level IIA Contracting Officer.

APC duties are to:

- Establish and maintain agency-wide communication;

- Establish agency-unique purchase card policies and procedures when needed;

Conduct agency-wide oversight of the purchase card program, including proper use of required sources of supplies and services;

Participate in meetings with the DPC to address purchase card programmatic issues;

Provide training and guidance to LAPCs;

Develop and distribute program literature and materials to LAPCs;

In the absence of an LAPC, cancel purchase cards immediately upon employee's termination;

Serve as primary contact for LAPCs and as the liaison with the DPC and the bank;

Audit program compliance and file retention. Notify the LAPCs of non-compliance issues and assists them in enforcing non-compliance measures;

Identify future program applications/enhancements and submit to the DPC for final assessment and CCB consideration;

Determine and recommend appropriate Merchant Category Classification (MCC) code ranges for card use; and

Provide senior agency management with purchase card transaction and convenience check data.

Local Agency Program Coordinator (LAPCs)

LAPCs are appointed locally by the Head of the Contracting Office, subject to the concurrence of the APC. The LAPC is responsible for the day-to-day operations of the purchase card program at each site. LAPCs should be classified in the 1102/1105 contracting specialist/analyst or purchasing agent series. However, LAPCs may be appointed from any series provided the employee meets the requirements of the Contracting Officer's Warrant System for a Level IC Contracting Officer. An LAPC works directly with the cardholder, bank contact person, APC and the NFC. All documentation related to the establishment of the cardholder will be signed and processed through the LAPC to the bank.

LAPC duties are to:

Establish and maintain the purchase card program within his/her designated location, including training cardholders in the use of the purchase card, convenience checks, and PCMS;

Provide training and guidance to cardholders;

Monitor purchases using the PCMS alert system, provide management with information from PCMS utilizing data query, and conduct statistical sampling reviews;

Report fraud, waste, and abuse in accordance with agency procedures;

Establish and update cardholder information in PCMS and SAMS, and perform local PCMS management tasks;

Distribute program literature and materials to cardholders;

Reconcile:

On an emergency basis, cardholder accounts in order to reconcile purchases that have not been timely approved by the cardholder;

“Trailing” transactions after a cardholder account is closed; or

Purchases made by personnel located at remote sites who cannot timely access PCMS to perform account reconciliation.

Ensure proper use of required sources of supply;

Notify the bank of any card cancellations due to termination or employee transfer;

Instruct cardholders to immediately notify a bank customer representative of a lost/stolen card/check and/or any discrepancies or unauthorized charges within 60 days of the transaction date;

Coordinate maintenance changes between cardholders and bank; and

Obtain NFC User IDs and passwords for the cardholder and notify cardholder.

Complete statistical samplings.

Billing Office

The national Finance Center (NFC) is the designated Billing Office. Billing Office duties include, but are not limited to:

Receives purchase card master file from bank;

Receives daily transactions from bank;

Receives official invoice and pays invoice in full within specified time frame.

Works with bank to resolve payment issues;

Transmits the dispute form to the bank after invoice has been paid;

Cardholders

The purchase cardholder is the individual to whom a card and, if authorized, a supply of convenience checks are issued. This individual may purchase, within their authority, supplies and services required by the government and process other transactions using the convenience checks as authorized by this regulation. No other person is authorized to use his or her card or convenience checks. Purchase cardholders are government employees, cost reimbursable contractors, or “cooperators” operating under grants/agreements with USDA States, Universities, other departments and agencies (who are authorized to use federal sources of supply and who have knowledge of, or are trained in, simplified acquisition procedures).

Cardholder responsibilities are to:

Makes purchases within authorized spending limits and funds availability and uses a card only for purchasing items in accordance with agency/Department policies.

tax Pay the sales tax if the merchant refuses to waive it. The cardholder must first inform the merchant that the purchase is for “Official U.S. Government” purposes and is not subject to state or local sales tax. The card is imprinted with the statement “US Government Tax Exempt.” For large purchases where the merchant refuses to waive the tax, the cardholder can present a state tax exemption letter. Cardholders can printout state exemption letters from the GSA SmartPay web site at <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/>.

Solicit prompt payment discounts from vendors prior to accepting an offer. Discount for prompt payment means an invoice payment reduction offered by the contractor if payment is made prior to the due date. Vendors normally receive payment from the bank within three days of the purchase.

Maintain purchase cards and convenience checks in a secure fashion and preventing unauthorized charges against the account.

Maintain adequate documentation of all purchase card and convenience check transactions. This responsibility includes documentation of funds availability, receipts, packing lists, invoices, Claims for Reimbursement for Actual Expenses (SF-1164) or other appropriate or agency-required documentation/approvals.

Ensure that accountable and sensitive property is entered into the USDA accountable property system. Also ensure that any dangerously radioactive and other hazardous materials acquired are disposed of in accordance with applicable regulations (refer to Subchapter H, Part 104-42 of the *Agriculture Property Management Regulations entitled, Utilization and Disposal of Hazardous Materials and Certain Categories of Property*. See DR 5013-6 for restrictions on use of the purchase card to acquire firearms, ammunition, explosives, or hazardous biological and radioactive substances.

Reconcile purchase card and convenience check transactions using PCMS in a timely manner, ensure entry of proper accounting codes, budget object classification codes, and, for convenience checks, Tax Identification Numbers or Social Security Numbers, as appropriate.

Call bank customer service representative and LAPC immediately to report lost or stolen cards/checks;

Notify the bank of any billing discrepancies (i.e., disputes) posted on the account by completing the dispute screen in PCMS;

Notifies the LAPC of name, telephone, address, and division/agency/department changes;

Changes passwords as required.

Managers

Managers determine who within their organizations should receive purchase cards and convenience checks. Managers must ensure purchase card or convenience check authority is not conferred upon employees whom, by virtue of their position, will give rise to a conflict of interest without first adequately mitigating the conflict. For example, such situations may arise when an employee serves in budget or financial capacity.

Manager duties include, but are not limited to:

Determine the necessity and purpose of each card/check issue;

Determine single-and monthly-purchase limits;

Ensure that cards issued under their authority are properly authorized; and

Utilize reports provided from LAPC.

Financial Officers

Financial personnel use the query tool software to review the accounting information entered into the PCMS database.

Certifying Officer

Cardholders are responsible for ensuring funds are available and that the only proper purchases and other authorized transactions are made using the purchase card and convenience checks. As PCMS incorporates many automated safeguards to identify misuse, NFC certifies PCMS payments from a system-wide standpoint; individual certifying officers are unnecessary with the reengineered PCMS process.

Computer Support/Telecommunications Officers

These individuals assist with site surveys and ensure that the PCMS software will operate in the existing computer environments and assist in the installations in agency offices of updates and maintenance to the PCMS software and related software, such as the data query software tool.

Section III

Program Operation

New VISA Purchase Card Request

The Office of Management and Budget has expressed concerns that agencies have too many cards deployed and that internal controls over the cards continues to be insufficient. The Office of Procurement and Property Management (OPPM) stated effective immediately, agencies may not increase the number of purchase cards issued beyond the current figures without specific permission from OPPM.

On March 2003, the Department requested that agencies need to decrease the number of PCMS purchase cardholders by 10%. Due to this reason, the supervisor/manager needs to email a justification to the LAPC for approval. The justification needs to include reasons for obtaining the credit card and the number of current cardholders in the office. The LAPC will forward the request to the APC for approval. Once the request has been approved, the PCMS/Micro Purchase Guide (self-test is located in appendix C) and the VISA purchase card application will be sent to the prospective cardholder for completion.

After the completion of the self-test and application, the prospective cardholder needs to either fax them to 612 370-2083 or mail them to the address below.

USDA, APHIS, MRPBS, FMD, BCT
100 North 6th Street
Butler Square, 5th Floor
Minneapolis, MN 55403

If the cardholder fails the test, the cardholder will have **one** opportunity to re-test. The LAPC will process the cardholder information using the PCMS software. The information then sends to NFC, NFC updates and transmits to the bank via the internet. The bank downloads and processes the information. The credit card will be mailed to the cardholder by the LAPC along with the handouts.

Card Receipt Verification/Activation

As a security measure, new cards and replacement cards for lost, stolen or reissued accounts are not usable until the cardholder calls Customer Service, 1/800-472-1424 to activate the account.

Single Purchase Limit

All Non-Warranted Cardholders have the single purchase limit of \$2,500. This limit is pre-established by the Departmental Regulation (DR) 5013-4. It is the largest amount a cardholder is allowed to spend on a single purchase. The amount greater than \$2,500 single limits is only granted to personnel that have received advanced training in procurement and acquisition processes and regulations such as contracting officers and purchasing agents.

Billing Cycle Purchase Limit

It's the maximum total dollar amount a cardholder is authorized to spend each month. This limit is determined by managers and supervisors and depends on the projected needs of that office. Managers and supervisors should examine this limit closely to insure that the cardholders are authorized a monthly limit that will avoid necessary purchases being denied by Bank of America. This will avoid embarrassing moments for the cardholder when the merchant will not accept the purchase, as well as avoid timely "emergency" calls to have the monthly limits increased.

To increase your monthly limit, the supervisor/manager must submit a written request to the LAPC.

NOTE: Our Cycle Date is the 7th business day of each month. The new cycle starts two business days after the billing cycle date.

Changes to Existing VISA Accounts

Cardholders may email the LAPC of an address change. For "Last" name change, please submit an official document such as a copy of the marriage cert., or driver license along with the request. The request should include your name and account number.



Terminations and Cancellations

When a cardholder is separated, cardholder must reconcile the transactions prior to their departure. Cardholder has to notify the supervisor/manager of any unreconciled, questionable, unresolved and disputed transactions. Turn in the credit card and (if issued) unused convenience checks to the supervisor/manager who will destroy them. The Supervisor/manager then notifies the LAPC in writing to cancel the account and report the unused check numbers. LAPC will cancel the credit card account in PCMS software. The cancellation will go into effect two business days after the date it was entered in PCMS.

Transfers or Relocation

When a cardholder is transferred within the agency, card can be transferred to the new location. Cardholder must reconcile the transactions prior to transferring. The supervisor/manager needs notify the LAPC in writing or via email. Cardholder or reconciler is responsible for making sure the PCMS profile accounting code is updated.

To Change Your Profile Accounting Code

1. Logon to PCMS.
2. Click on CARDHOLDER and select PROFILE ACCOUNTING.
3. Click on the  icon from the Command Bar to pull up your name and credit card number.
4. Position a cursor on the accounting code line.
5. Click on the  (REMOVE) icon from the Command Bar to remove your current accounting code information.

6. Enter the agency code: 34, your 10 digits accounting code, object class is always 2670 and distribution percent is 100%
7. Click SAVE to save the changes.
8. Click ACTION and select EXIT.

Convenience Checks

To order more checks, you need to contact your Local Agency Program Coordinator (LAPC).


You will need to provide your card number and the last check number. The checks will be sent within 7 to 10 business days after the order has been placed.

For the use of the convenience checks, please refer to the *PCMS/Micro-Purchase Guide*.

Disputes

Cardholder must dispute a transaction within 60 days from the purchase date. When disputing a transaction, the dispute must be done in PCMS and follow up with a hard copy faxed to Bank of America.

To Dispute a Transaction in PCMS

1. Logon to PCMS.
2. Click on CARDHOLDER and select CARD TRANSACTION.
3. Click on FIND  to pull up your name and credit card number.
4. Place a cursor on the transaction you need to dispute.
5. Change the ACTION code to DISPUTED. The DISPUTE MAINTENANCE will open.
6. Place a cursor in the Dispute Code field, click on HELP and select LIST for a pull down menu of the dispute codes.
7. Enter the DATE MERCHANT CONTACTED. NOTE: You should always try to resolve the dispute with the merchant first. This is the fastest way to receive your money back. If the merchant declined to assist, dispute it through PCMS.
8. Enter comments. It's important to explain the situation here.
9. Click SAVE to save the changes
10. Look for a confirmation at the bottom of the screen "Transaction complete; 3 records applied and saved".
11. Click on ACTION and select EXIT.

For more information about the disputes and step-by-step instruction, please refer to PCMS Navigation Guide, page 13.

NOTE: The convenience check CANNOT be disputed in PCMS. Contact your LAPC for assistance in disputing a check transaction. If you need to stop payment on a convenience check, you may contact your LAPC or call Bank of America at 1/800 472-1424. You will need to provide a check number, date a check was issued, the merchant name and the dollar amount on the check. There is no cost for stopping payment on a convenience check.

Lost/Stolen Cards

Cardholders should immediately notify Bank of America Customer Service at 1/800 472-1424 if cards are lost, stolen, or mutilated. Customer Service Representatives are available 24 hours. A representative will complete a lost/stolen report and replacement card order. A new card and account number will be issued. Cardholder needs to notify the LAPC of the lost/stolen, so the new card number can be inserted in PCMS.

Cardholders need to review the transactions in PCMS for any fraudulent charges. If they are fraud, they need to be reported to the bank immediately to ensure that your account will be credited.